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IT IS SO ORDERED.

Dated: February 27, 2009

  
C. Kathryn Preston  
United States Bankruptcy Judge

UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF OHIO  
EASTERN DIVISION

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In re: : Chapter 11 – Jointly Administered  
: :  
Triad Resources, Inc., *et al.*, : Case No. 08-62733  
: :  
Debtors.<sup>1</sup> : Judge C. Kathryn Preston  
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**ORDER APPROVING EMPLOYEE INCENTIVE PROGRAM**

Upon consideration of the *Motion of Debtors and Debtors-in-Possession for the Entry of an Order Pursuant to Bankruptcy Code Sections 105 and 363 Approving Employee Incentive Program* filed on December 31, 2008 [Docket No. 27] (the “Motion”); the *Affidavit of James R. Bryden in Support of Chapter 11 Petition and First Day Motions* in support of the Motion; the *Memorandum* in Opposition to the Motion filed by the Official Committee of Unsecured Creditors (the “Committee”) [Docket No. 166] (the “Committee Objection”); the representations

<sup>1</sup> The “Debtors” in the instant cases include each of Triad Resources, Inc. (Case No. 08-62733, “TRI”); Triad Energy Corporation, (Case No. 08-62744, “TEC”); TriTex Energy, L.L.C. (Case No. 08-62747, “TEL”); TriTex Resources, L.L.C., Case No. 08-62749, “TRL”); Triad Oil & Gas Co., Ltd. (Case No. 08-62757, “TOG”); and Alpha Drilling, Ltd. (Case No. 08-62759, “ADL” or “Alpha”).

of counsel at the February 20, 2009 hearing; and all other proceedings in these Chapter 11 cases; and having been advised that, after consultation with the Debtors, including at an in-person meeting between the members of the Committee, members of Debtors' management, and their respective advisors, on February 23, 2009, the Committee hereby withdraws the Committee Objection, and after due deliberation and hearing, this Court hereby FINDS that (a) the Critical Employees are integral to the Debtors' ability to operate as debtors-in-possession and otherwise essential to preserving and helping to enhance the value of the Debtors' estate; (b) implementing the Incentive Program is a reasoned exercise of the Debtors' business judgment and use of estate assets pursuant to Sections 105(a) and 363(b); and (c) the relief requested in the Motion is fair, reasonable, and appropriate exercise of Debtors' business judgment and in the best interest of the Debtors' estates, all creditors, and other interested parties in these Cases.

Now, therefore, in light of the foregoing FINDINGS, it is hereby ORDERED, ADJUDGED, and DECREED that:

(A) The Committee Objection is hereby deemed withdrawn and, as such, the Motion is GRANTED as set forth herein.

(B) Unless otherwise defined or stated herein, all capitalized terms used herein shall have the meanings ascribed to them in the Motion.

(C) The following incentive program (the "Incentive Program") is hereby approved for the Critical Employees:

*Tier I*

(I) The aggregate value of each of the Tier I bonuses (the “Tier I Baseline Bonus”) equals 30% of the Critical Employee’s annual salary.

<b><u>Incentive Category</u></b>	<b><u>Incentive Amount</u></b>	<b><u>Date Payable (On or After)</u></b>
Progress Bonus A	25% of Tier I Baseline Bonus	Sooner of March 31, 2009, or a Success Event (as defined below)
Progress Bonus B	25% of Tier I Baseline Bonus	Sooner of June 30, 2009, or a Success Event
Completion Bonus	50% of Tier I Baseline Bonus	Success Event

The following Critical Employees shall participate in the Tier I Incentive Program: Robert Roberts, Don Ritter, and John Tumis.

*Tier II*

(II) The aggregate value of each of the Tier II bonuses (the “Tier II Baseline Bonus”) equals 25% of the Critical Employee’s annual salary.

<b><u>Incentive Category</u></b>	<b><u>Incentive Amount</u></b>	<b><u>Date Payable (On or After)</u></b>
Progress Bonus A	25% of Tier II Baseline Bonus	Sooner of March 31, 2009, or a Success Event (as defined below)
Progress Bonus B	25% of Tier II Baseline Bonus	Sooner of June 30, 2009, or a Success Event
Completion Bonus	50% of Tier II Baseline Bonus	Success Event

The following Critical Employees shall participate in the Tier II Incentive Program: Kim Arnold, Kyle Bradford, Jeff Brammer, Michael Burnett, and Carlos Horan; provided, however, that as Mr. Bradford spends approximately 80% of his time serving Alpha and 20% of his time serving

the other Debtors, Alpha shall be obligated for 80% of any payments made pursuant to this Order to Mr. Bradford and the other Debtors shall be obligated for 20% of any payments made pursuant to this Order to Mr. Bradford.

*Tier III*

(III) The aggregate value of each of the Tier III bonuses (the “Tier III Baseline Bonus”) equals 15% of the Critical Employee’s annual salary.

<b><u>Incentive Category</u></b>	<b><u>Incentive Amount</u></b>	<b><u>Date Payable (On or After)</u></b>
Progress Bonus A	25% of Tier III Baseline Bonus	Sooner of March 31, 2009, or a Success Event (as defined below)
Progress Bonus B	25% of Tier III Baseline Bonus	Sooner of June 30, 2009, or a Success Event
Completion Bonus	50% of Tier III Baseline Bonus	Success Event

The following Critical Employees shall participate in the Tier III Incentive Program: Tiffany Becker, Kevin Cunningham and Cathy Pyles.

A “Success Event” shall be the sooner to occur of (a) the date that any confirmed chapter 11 plan of reorganization or liquidation proposed by the Debtors (or jointly by the Debtors and any other interested party or parties) becomes effective; and (b) the closing on a sale of substantially all of the Debtors’ assets pursuant to Section 363. Immediately upon the occurrence of any of the following (each a “Termination Event,” a Critical Employee shall no longer be entitled to participate in the Incentive Program: (a) resignation by a Critical Employee from the Debtors’ employ; (b) termination of a Critical Employee’s employment for cause; (c) death or disability of a Critical Employee; or (d) conversion of the Cases to cases under Bankruptcy Code Chapter 7.

(D) The Debtors are hereby authorized, but not directed, to perform under and otherwise make all payments in accordance with the Incentive Program.

(E) The memorandum of law requirement of Local Bankruptcy Rule 9013-1(a) is hereby waived with respect to the Motion only.

(F) This Order is effective immediately.

(G) The Court hereby retains jurisdiction to hear and determine all matters arising under or in connection with this Order.

IT IS SO ORDERED.

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Prepared and submitted by:

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Copies to:

The following is the list of **parties** who are currently on the list to receive e-mail notice/service for this case and who were served by the Court's electronic noticing system:

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BMC Group, Inc., the Debtors claims and noticing agent, is, at the direction of the Debtors' counsel, serving the instant document on the parties set forth on the attached Service Lists via electronic mail and/or United States Mail, postage prepaid (the "BMC Service"). An affidavit detailing the BMC Service will be filed with the Court.

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